LATER Manus Constitution Consti

VOL. IV

No. 4

U. S. earthquake aid to devasted Chile builds bridge of friendship between these two great Hemispheric nations.

What are they like and where are they headed?

What has the country to offer? Where should one go?

Is this the answer to the ills of a coffee economy?

What will this new seaport mean to the republic?

What of crop diversification, agrarian reform?

El Salvador's new government charts its course.

REPORT ON EL SALVADOR

A personal invitation to YOU to visit

SALVADOR





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No matter what the reason-do visit with us. If I can be of any assistance, do not hesitate to contact me, in person or by letter.

Hector Trujillo, Director Department of Tourism Calle Ruben Dario 619 San Salvador, El Salvador

BALANCE SHEET FOR PRIVATE ENTERPRISE

DEVELOPMENTS in a few Latin American countries during recent years have tended to make investors gunshy of the whole area. This is an unfortunate turn of events both for business and for the recipient countries. It is deplored both by businessmen and by the leaders of countries that are really good risks.

The real booger, of course, has been Cuba and what happened there. But now, every shift in power and every extremist outburst and every unfounded rumor tends to be interpreted in the light of Castro's Cuba. The small, active communist minority throughout Latin America couldn't be happier with the results.

Yet, in many countries conditions have taken a good, sound turn for the better, so far as private enterprise is concerned. But these developments are apt to get lost in the smokescreen of Castrofiscation of property in Cuba and riots in Venezuela. Looking at the balance sheet, these are some of the things we see:

In Argentina President Frondizi seems to have weathered the recent opposition and come out in a stronger position than ever. So strong in fact, that he felt himself able to withdraw government support from a long line of popular but inefficiently operated, government-oriented enterprises that have hampered economic development, and to cut them loose to fend for themselves in competition with private enterprise. These include oil, steel and transport. Argentina's stock soared as a private enterprise state.

In Bolivia, newly-elected Victor Paz Estenssoro, father of the revolution that led to nationalization of the tin mines, appears now to have turned his back on his own revolution and to be charting a course to bring order out of chaos. In Panama, a shift in U.S. policy appears to have stolen the thunder from anti-Yanqui agitators. Brazil's newly-elected chief of state looks good for a sound policy in that fast-growing giant. Mexico and Peru, among other Latin American countries, remain on safe and sound soil. Castro appears to have overplayed his hand, and his influence is declining steadily among all but the *chusma* (riffraff) in the other Americas.

And perhaps the most positive item on this side of the ledger is the United States' own changed attitude toward this area, beginning with the Eisenhower Program and certain to be carried to greater heights by the new Administration. And whatever this Government does to improve U.S. relations with Latin America, and to help those countries in their plight, is going to reflect on the attitude of Latins toward U.S. investment in private enterprise. It is no time for businessmen to back out of Latin America shaking their heads.

Um Q. garde

CHANGE OF ADDRESS: Send old address, exactly as it appears on your marazine, along with new address, including zone number. Allow at least four weeks to effect change.

THIS MONTH'S COVER: El Salvadoran hands sort the coffee beans that make up that nation's number one crop. (Color photo by Ernesto Sol, Jr.)













LATIN AMERICAN REPORT

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STAFF

William	G. Gaudet	Publisher
Norman	Thomas	Editor
		& Lavour

Special Features:

REPORT ON EL SALVADOR by Norman Thomas

QUAKE AID TO CHILE by James H. Winchester

Contributing Writers:

Dennis J. Cipnic

Circulation:

Sidney Toca

FOREIGN NEWS: Field representatives stationed in Mexico City, Mexico; Guatemala City, Guatemala: San Salvador, El Salvador Tegucigalpa, Honduras; Managua, Nicaragua San José, Costa Rica; Panama City, Panama Bogotá, Colombia; Quito, Ecuador: Lima Peru; La Paz, Bolivia: Santiago, Chile Buenos Aires, Argentina; Montevideo Uruguay; Brasilia, Brazil; Caracas, Venezuuela; Habana, Cuba.

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THE RED



Nikita Khrushchev and Fidel Castro meeting at the Hotel Theresa in New York, September, 1960.

EMBRACE

ONTHS before the embrace between Nikita Khrushchev and Fidel Castro, LIFE EN ESPAÑOL foreshadowed such happenings in "The Soviet Spreads its Net in Latin America," an exclusive article by the highest ranking Soviet official to defect to the West.

In his article, written with LIFE's Frank Gibney, former Soviet State Security Major Peter Deriabin revealed what took place at a top-secret conference of State Security agents in Moscow, in the fall of 1953. The subject: "The Next Objective of the State Security is Latin America."

Deriabin's report concludes with State Security's outstanding victory—Cuba, an ideal state from Moscow's point of view and only 90 miles from the U. S.

This exclusive report is just one more example of LIFE EN ESPAÑOL's coverage of subjects that are of vital interest to Latin Americans. Recently, for example, LIFE EN ESPAÑOL conducted an unprecedented poll of the 20 Latin American Presidents. All except President Dorticós of Cuba replied.

LIFE EN ESPAÑOL's unique way of revealing the patterns underlying current happenings in their own countries to 3,000,000 important Latin Americans is one major reason why it's the most important editorial voice in the Spanish-speaking world.



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While they last, for your copy of the Deriabin article in English, write to: Editor, LIFE EN ESPAÑOL, Rockefeller Center, New York 20, New York.



More Human Than Divine

By William Spratling, with photographs by Alvarez Bravo University of Mexico Press 94 pgs. \$8.00

Archaeology and archaeologists have long suffered from lack of a public image. Most books dealing with the subject tend to follow one of two directions: "How To Dig For Cities," or "I Found King Tut." Very few archaelogically oriented books have ever appeared which could be said to deserve a place on the bookshelf of everyone interested in Latin America's cultural and aesthetic heritage. This one deserves two places.

More Human Than Divine, a words and pictures book about a unique ancient Mexican civilization, has two cardinal virtues. First, the text, by William Spratling, is almost too good to be true. It explains the photographs which follow it, the civilization from which the pictured objects came, and why these objects came to appear as interesting as they do. Somehow the author does all this in a commendably few very readable pages of text. For once we need not wade through dozens of pages of hypothetical arguments and counter-arguments, or equal numbers of pages relating clay types to geological strata. Granted, such things may be of interest to serious students of excavated civilizations, but they are pretty boring to the average reader.

The second remarkable aspect of this book consumes the major portion of its contents-the photographs, which were made by Manuel Alvarez Bravo. This reviewer has waded through dozens of "illustrated" .volumes which have attempted to pictorialize archaeologically excavated civilizations. Most have failed for one of several reasons. Either the pages are too small for effective display of the photographs, or there aren't enough photographs to begin with. Conversely, it may be that sometimes there are too many photographs, all crammed into relatively few pages. Whatever the case, the photographs are rarely worth looking at, to begin

One of the unwritten laws of archaeology seems to hold that no arch-

aeological photograph is allowed to be aesthetically commendable. "All it has to do is show the digs," as they used to say at Chichen Itza. More Human Than Divine violates the law. The photographs are almost works of art. They show a real feeling for plastic sculpture, and for the drama of the objects being photographed. Some of the pictures are reproduced on this page, but they hardly do justice to the magnificent 7 x 8-inch illustrations in the book.

More Human Than Divine concerns itself with the artistic images of a people called the Remojadas, whose civilization located just to the south of Vera Cruz, reached its peak almost a thousand years before Columbus discovered America. For those who are interested in technical details, these are the same people who, until very recently, were lumped into a general archaeological culture group called Totonac.



The people of Remojadas were not historically great. They left no Chichen Itza, nor did they have a Montezuma. Their civilization did not indulge in conquest, as did the Inca, nor did they set the tenor of a civilization in the manner of the Mayas. Nevertheless, they managed to live in contentment for the better part of 800 vears. We know they were content, for unlike the sculpture of most other American civilizations, the fascinating Remojadas figures pictured in this book bear some of the happiest countenances ever unearthed by archaeologists. Their beaming faces leave us in little doubt of the fact that the Remojadas were, as Mr. Spratling says, "the most smiling people."

The figures, most of them representing people, rather than gods, are not grouped together by epoch or area, and archaeologists will probably find fault with the book in this direction. However, the text gives the impression that many of the figures were

unearthed and stored in Vera Cruz and Mexico City without any notes relating to the exact area or depth at which they were discovered. If so, this lack of information would effectively prevent complete cataloging. Nevertheless, it might have helped matters had the author included in his picture notes whatever time-period information was available for the sculptures.

On the other hand, the book is well done from an artistic point of view. The layouts are effective, utilizing large picture sizes for impact and clarity of detail. Many of the plates are printed in three colors, black, white and a sepia tone, which is well controlled and adds interest. In fact, it would not be out of place to say that the book is at least as interesting artistically as it is historically, and a success in both directions.

The only visible shortcoming of More Human Than Divine lies in technical matter. Though the halftone plates from which the book was printed are superb, there are occasional tiny dust spots in the reproductions, caused by lint either on the paper or on the printing blocks. However, even with this slight drawback, we must recognize this book as one of the finest works of its kind available today.

-D.J.C.

STATEMENT REQUIRED BY THE ACT OF AUGUST 24, 1912. AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1946 (Title 39, United States Code, Section 233) SHOWING THE OWNERSHIP, MANAGEMENT, AND CIRCULATION OF LATIN AMERICAN REPORT published monthly at New Orleans, Louisiana for October 1, 1960.

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WILLIAM G. GAUDET (Signature of publisher)

Sworn to and subscribed before me this 1st day of October, 1960.

HENRY VOSBEIN
(My commission expires at death)

Report on

El Salvador

(The Next 20 Pages)

INDUSTRY.

key to the future

land and people . . tourism . . agriculture . . a new seaport

A fast-growing people seeks the



Most travelers to El Salvador go down to this tiny Pacific Coast republic by air. And those who fly for the first time into Ilopango Airport at San Salvador, the nation's capital city, are intrigued by the patchwork quilt effect of the land below them. Unlike the unbroken and sparsely inhabited jungle of Yucatán and Guatemala's Petén area, El Salvador presents to the air traveler a cultivated facade of small farms that pretty well cover flat lands and hills alike, and even run well up onto the symmetrical slopes of the many volcanoes that are the trademark of the nation. And this effect, as seen from the air, tells a great deal about the country and its people.

El Salvador is the smallest mainland country in the Western Hemisphere, (8,170 square miles) only slightly larger than the state of Massachussetts, and also the most densely populated, (2.6 million) 321 inhabitants to the square mile. Yet, most Salvadoreans are directly or indirectly dependent on agriculture for a livelihood. So it is not surprising that the country also is the mainland's most intensively cultivated land. The most important commercial crop grown here is coffee; but the big basic food crop is corn, the staple food in the diet of the common

people.

Salvadoreans are descended from the Spaniards and the tough pre-Colombian Indians who fought the Conquistadores to a standstill on the Plains of Acajutla more than 400 years ago. Only in a few isolated pockets are there found any pure-blood Indian stock remaining today, and unlike in Guatemala and some other countries, there exists no Indian problem, as such. The product of this mixture of the races, as exemplified in the common man, is a short, somewhat stocky individual with characteristic facial features that distinguish him as strictly Salvadoran. He is a warm and friendly person of somewhat serious mien; but underneath the seriousness there resides a grand sense of humor. He works hard and moves briskly.

But until very recently, hard work

has benefitted the common people, the gente as the masses are referred to in El Salvador, relatively little. From the

time the republic acquired its independence in 1821, until the turn of the century, El Salvador had a turbulent political history. But with the coup of 1948, an era of change was ushered into Salvadoran politics. The general election in 1950 brought to power Lt. Col. Oscar Osorio, who launched the first great power and public works projects. Following him into office, Lt. Col. José María Lemus attempted the first real efforts at social reform. But Lemus' efforts were not enough, and by mid-summer of this year, his Administration had fallen upon troubled times.

Toward the end of October a sea-

sonal temporal blew into El Salvador,

climaxing the rainy, or "winter" season-herald of "summer" soon to come. And on a rain-swept night that week, three officers accompanied by a squad of soldiers marched up to President Lemus' mansion and informed the pajama-clad figure who opened the door to them that he was no longer President.

ts the key to a better life through education and industrialization



New construction in downtown San Salvador . . . boy with yoyo —the latest fad.

A busy market street in the heart of the city.

Old residential area of San Salvador with new apartment housing in foreground.







Modern parochial high school in San Salvador. The need is for more public school's like it.





Across the plaza, the National Palace (the Capitol building)



The well-planned, bloodless coup was designed to forestall worse trouble, A "Transitory Government" of six men was set up to deal with the nation's problems. (See Junta Interview, Page 10.)

A worker in the coffee fincas today makes only 60 cents a day. A skilled worker may make from 80 cents to \$1.20 a day. One giant problem facing the Junta, and the elected government that follows it, is how to give these working masses—the laborers and campesinos—a greater stake in the nation's economy without radical changes that would disrupt the economy. In the city of San Salvador at least, there is the beginning rise of a middle class—small at present, but unmistakably there. Said a young student leader of "democratic" factions at the University, recently, "Let me take you to see a typical middle-class colonia (subdivision)," and he added, "—the people who are not supposed to be here." Anywhere one goes in the city, he is never out of reach of the sound of hammering as new homes go up on vacant lots that were hillside corn patches a few years ago. Not all these new homes are of the very wealthy.

The field of public housing is another sore spot that will command the attention of a new government. In the city of San Salvador, itself, at least, a healthy start was made by the Lemus Administration toward solving this problem. On all sides of the city one may see large-scale *multi-familia* (apartment) housing projects either built or abuilding. A prominent Salvadoran surgeon recently took this reporter to a rooftop to show him one of these projects spread out against the nearby hills.

"As fast as the new housing units are completed by the Government," the doctor explained, "poor families are selected from the worst substandard housing of the city and assigned the new apartments. Before they move to their new quarters, a social worker spends enough time with each family to teach them how to live in the new housing and how to take advantage of the modern sanitary facilities . . . "

Typical of the multi-family government housing projects is El Centro Urbano Libertado, a large project for government workers in a landscaped cul de sac at the foot of San Salvador volcano. Here, in architecturally modern, multi-story apartment houses scattered helter-skelter about the landscape -many already completed and occupied, and others in various stages of construction-are slated to live several hundred families of white-collar workers. For a three-bedroom, dining room, kitchen and bath apartment, a family pays 75 colones (\$30) rent. The population of San Salvador today is estimated near the 300,000 mark. Of this population Salvadoreans admit a far too large percentage live in substandard housing and there is yet a long way to go toward eliminating it.

Outside the capital city, housing efforts are proceeding at a less spectacular pace, and the rural housing problem, as in so many countries, is slow to be attacked. But at the new Port of Acajutla the Government plans to aid private enterprise to build modern housing for the working classes. Better rural housing is one of the problems the Junta has yowed to attack.

In the field of public health, Government programs aimed at the control and elimination of communicable diseases, including malaria, have paid off handsomely. And the larger cities and towns boast "charity hospitals" where those who cannot afford to pay are treated free, at government expense. In private practice, competition in the medical profession in El Salvador is for the comparatively few wealthy and middle class patients. Aside from this practice, most doctors devote much of their time to charity cases

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Worthy strides are being made in the realm of education, enabling El Salvador to boast the second highest literacy rate in Central America. At the end of 1958, there were 2,802 primary and secondary schools in El Salvador; attending these schools were 322,653 students. The Autonomous University of El Salvador (the National University), boasts an attendance of 2,000 students and provides higher education in the following fields: medicine, law, engineering, economics, pharmacy, dentistry, agricultural engineering, and the humanities. At present, the various schools of the University are scattered in buildings all over the city of San Salvador, But on a bush-grown plateau at the northwest edge of the city, there is building a new campus that one day will house the entire University. Already there are three or four colorful, modern buildings scattered about the open fields, and these now house several of the schools.

Yet it is precisely in the field of education that the Junta feels its greatest efforts must be made. Said the Junta's Dr. Fabio Castillo: "The goal is to educate in five years some 12,000 teachers, turning out each year in the normal schools some 2,500 teachers and through them to provide an education for every citizen and opportunities for an education at every level."

Yet other problems facing the new Government are economic by nature. Number one among these is the problem of El Salvador's "coffee economy." The answer that the Junta seeks to this lies in the field of crop diversification and more intensive cultivation of the soil (see agriculture). And the overall problem of the nation is to keep the gross national product increasing at a favorable pace in relation to the high (3.5 per cent) rate of population growth, in a land already densely populated.

A few statistics may help to give a clear picture of progress in El Salvador. There are now 12,000 telephones in operation in the country. Twenty-one commercial radio stations, and one official government station, direct their appeals to the 2.6 million Salvadoreans through some 326,000 radio sets owned by them. Of these stations, 13 are in San Salvador and the remainder scattered throughout the nation. Two privately-owned television stations cover the tiny republic from the capital city. About 25,000 sets bring television to an estimated 100,000 to 200,000 viewers.

An even dozen major daily newspapers blanket the country. They range in circulation from 12,000 to 65,000. The leading paper of the republic is

La Prensa Grafica, this year celebrating its 45th year. Owned and published by the Dutriz brothers, widely known throughout the Hemisphere as fighters for freedom of the press, this attractive picture tabloid is produced in a plant as modern and up-to-date as any in the United States.

In the area of finance, El Salvador's monetary unit, the colon, has remained rock steady at 40 cents (U.S.) for a number of years. A favorable balance of trade has been maintained for quite some time, and foreign exchange reserves have held fairly steady until just recently. The nation's budget has

remained about the same for the past three years although income has somewhat declined due to falling coffee prices.

El Salvador is pushing a program for economic development along several fronts simultaneously, and the Junta has announced its intention to continue the program. The program includes industrialization, investment and finance, public works, promotion of tourism, stimulation of the common market, and diversification of agriculture. For what El Slvador is doing in these important sectors, see the following articles.

ASSURES THE PROGRESS OF THE FUTURE



The "5 de Noviembre" Hydroelectric Plant

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Projects in progress to generate 60,000 kws in 1961,
the projets of the Rio Guajoyo and
the expansion of the "5 De Noviembre" plant,
assure the power
for the industries of tomorrow.



Under mural depicting signing of independence . . . the Junta: left to right, Col. Castillo, Dr. Falla Cáceres, Maj. Rosales, Dr. Fabio
Castillo, Col. Yáñez Urías, Dr. Fortín Magaña.

What are the Junta's plans in regard to social reforms within El Salvador—for instance, agrarian reform, education, housing?

A. The form that agrarian reform will take, as in many other matters, is for the new elected Government to decide. It is not for the Transitory Government to dictate this policy. What will be done, is that the Transitory Government will take advantage of this interim period, before the election and convening of a new Congress, to study all of the problems. We are studying these now—and we will recommend some solutions to Congress. We may say this: we do not seek a partial solution, but a whole solution.

We will invest what is necessary to provide an education for every citizen—education at every level: primary, secondary, technical, and university. It will require a large investment.

Q. Do you intend to take advantage of the Eisenhower Plan when funds are ready—a plan designed to aid the Latin American countries in the fields of education, housing and agrarian reform?

A. Yes, we do so plan. We are now preparing a project for submission. We will need all the investment we can get to finance education.

Q. What is the new Government's attitude toward private enterprise and foreign investment to help develop and industrialize the nation?

A. We will treat foreign investment just as we will treat local capital. There will be no special privileges. If there are special privileges then difficult situations may arise in the future. For the protection and security of foreign capital, itself, it is better that there be no privileges. But there will be every guarantee for foreign investment.

Q. But you do seek to attract foreign investment for development purposes?

A. Oh yes. Two fields of foreign capital are sought: 1) semi-official investment for public purposes to help us

proceed with our plans; and 2) private investment.

In spite of the efforts of the past regime to attract private capital, private investment has remained low, though it has increased somewhat in recent years. We need about 30,000 to 50,000 new industrial jobs to maintain satisfactory economic growth. To achieve these ends, we will need investments of \$100 million each year for several years.

Q. Are you thinking in terms of nationalization of any group of industries or of banking?

A. No. There is no idea of, or interest in, nationalization. What one hundred per cent of the public is interested in, is the stimulation of private enterprise.

Q. Does the Transitory Government plan to take measures toward the redistribution of wealth, such as increased income taxes within the upper brackets to provide monies for social reform at the lower levels of society?

A. Our idea is to have the land in full production—to intensify cultivation—to try to open credit for the small farmer who now has not many opportunities for credit. We do not wish to give the impression that we favor the wealthy; nor can we say at this time that we plan profound reforms. And certainly we need more income for education and for public works such as roads.

Q. Do you plan any extensive changes in the Ley de Fomento (the Industrial Development Law)?

A. Any changes made in the *Ley de Fomento* will be up to the new Congress when it is elected. If there are changes, they will be for the betterment of the law and for increased protection of private enterprise.

Q. Does the Transitory Government plan to continue the previous Administration's development program and the nation's participation in the Central American common market?

A. The common market agreement will be respected and we shall try to stimulate the development of the common

THE months of September and October were a time of building tensions in El Salvador. A bitter feud developed between elements of the National University and the Government of President José Mariá Lemus that resulted in a student strike and closing of the University. The situation developed into a stalemate.

Toward the end of October things had quieted down a bit, but the stalemate continued and the atmosphere of tension persisted. It was the final days of the wet "winter" season preceding the dry sunny Salvadoran "summer," and a rainy two-week temporal had moved in over the city to further dampen spirits. In the early morning hours of one rain-swept night, three officers and a squad of soldiers marched up to the mansion of President Lemus. Their mission: to inform the pajama-clad man who opened the door to them that he was no longer President. A six-man Junta was formed to govern El Salvador pending promised elections and the convening of a new congress to replace the one now dissolved.

now dissolved.

The Junta consists of three military men and three civilians. The military: Col. Miguel Angel Castillo, heavy, balding, at 44 the oldest member of the group; Col. César Yañez Urías, tall, crop-

haired, 40; Maj. Rubén Alonso Rosales, stocky, heavy-jowled, 35. The civilians: Dr. Fabio Castillo, tall, slender, brooding, at 42 a professor of physiology at the University; René Fortín Magaña, darkbrowed, taciturn, a 29-year old lawyer; and Ricardo Falla Cáceres, a boyish 30-year-old attorney.

To find out more about this youngish, upper-middle class group of Salvadoran professional men who now head that nation's Government, to ascertain something of their philosophy of government, and to explore their plans for the future of their country, Latin American Report sought a private interview with the Junta.

The interview was granted for nine o'clock on a Monday morning less than two weeks after the Junta assumed power. The meeting took place in a spacious, sun-lit salon on the second floor of the Casa Presidencial in San Salvador. One by one the Junta members filed into the room from their various offices and took sector servered to a sector to the sector.

Casa Presidencial in San Salvador. One by one the Junta members filed into the room from their various offices and took seats around a coffee table beneath a large mural of some historical scene from El Salvador's past. Someone ordered coffee served. Dr. Fabio Castillo acted as spokesman for the Junta during the interview, but each question was discussed at some length with all members taking part.—Editor.

market more and more. We shall respect all of El Salvador's international obligations.

- Q. What was the underlying purpose of the Junta in seizing power by means of the coup d'etat?
- **A.** We do not like the necessity of resorting to the coup d'etat. We should much prefer the natural means of succession. But the basis for the takeover was that the Administration went beyond the law of the Constitution. In recent months several efforts were made to get the Government to return to the Constitution. The Government rejected every effort—even those of its own Cabinet members—it rejected every effort to get it to return to the law and to meet its obligations to the Constitution.

Besides this, there had developed an atmosphere of violence. If things had been permitted to go on as they were, there is no telling what might have happened. A takeover of the Government appeared the only alternative. The Junta has the backing of all sectors in its decision.

- **Q.** Are all members of the Junta in agreement among themselves as to the aims of the new Government and the methods of achieving them?
- **A.** All members of the Junta are in substantial agreement among themselves—there is perfect harmony among the members. We discuss the problems as they arise, and if there is a difference of opinion we try to convince each other. They have convinced me (Dr. Fabio Castillo) that I was wrong, and I have convinced others that they were wrong. Our decisions are all arrived at through discussion, and in the end, our decisions are all unanimous. Many have commented on the amazing fact that such a mixed group could achieve such harmony.
- Q. Since returning to El Salvador this time, I have talked with many people Some few have expressed concern—not with the Junta itself, you understand—but with the carte blanche freedom of the country that the Transitory Government has permitted all elements, including extremists and agitators of various colors. There is fear

- expressed in some quarters that this is contributing to a dangerous situation; that these elements may—if you do not move fast enough and far enough in their direction to satisfy them—eventually cause you a great deal of trouble. Do you consider the Junta strong enough to cope with any trouble caused by the agitation of extremists?
- A. The Constitution of 1950 limits both right and left. Often in the past the dictators of the right have exaggerated the agitation of the left. When there has been violence it has always been stimulated by the Government—never by the people. The people of El Salvador, by nature, are quiet. Even without policemen in the streets, they are quiet—especially without policemen. In 1954 there was not a single policeman in the streets, and yet there was no violence. We believe no extreme agitation will come about. This is backed up by our history.

The Junta is not seeking to gain the support of either the extreme right or the extreme left. We look for the support of the public. We are gaining more support all the time from the *sincere* people of the right. Sincere people are taking renewed part in political activities. This is welcomed from all sectors, so long as they stay within the limitations of the Constitution.

- **Q.** How soon do you plan to call election for a new Congress?
- **A.** As soon as a climate of complete tranquility has returned to the country, then elections will be called.
- Q. But the Junta does not plan to act unilaterally on major problems in the meantime? Rather, the interim period is to be used for the study of important problems, and the Junta then will submit their recommendations to the new Congress? Is that correct?
- **A.** Precisely. The interim period, for the Junta, will be a period of study. We are studying the problems and we will make recommendations. It will be up to Congress to act on them.

Top Row, Left to Right:

El Salvador's modern instant coffee plant

Cement plant of Cementos Cessa, S.A.

New flour mill soon to be inaugurated

De Sola's Santa Tecla soap factory

Soap chemists run quality control test

El Salvador







Bottom Row, Left to Right:

Generators of the Lempa power project

Cement plant at Port of Acajutla

Industrias Ouimicas—pharmaceuticals

Industrial Association's Dr. Flores

El Salvador has long been called the "Coffee Republic." The coffee industry has always earned more foreign exchange (by a wide margin), and provided employment for more people than any other industry in the nation—and still does today. But coffee, as the basis of a state's economy, in recent years has proved dangerously unstable. Besides, in El Salvador just about all the soil suitable for coffee plantations is already cultivated to the lips of the volcano craters. Yet the already dense population of El Salvador continues to increase at a steady 3.5 per cent a year.

How is the tiny nation to feed these hungry new mouths, provide labor for the new hands?

The obvious answer to this pressing question, Salvadoreans believe, is industrialization. Industry will benefit the

climate for



INDUSTRY

republic in three ways: 1) it will provide employment for the fast-growing labor force, and at higher pay; 2) it will provide means for increased per capita production; and 3) it eventually will conserve hard-to-come-by reserves by cutting down the necessity for imports. This was the thinking of far-sighted Salvadoreans as the decade of the 1950's rolled around.

But El Salvador, at that time, was a nation without much of a base for industrialization. There was a critical power shortage. She had the beginnings of a road system. (El Salvador was the first country in the area to complete, in 1945, her share of the Inter-American Highway.) But transportation was still inadequate for an industrial economy to function efficiently. The only deep-water port where ships could dock was at the wrong

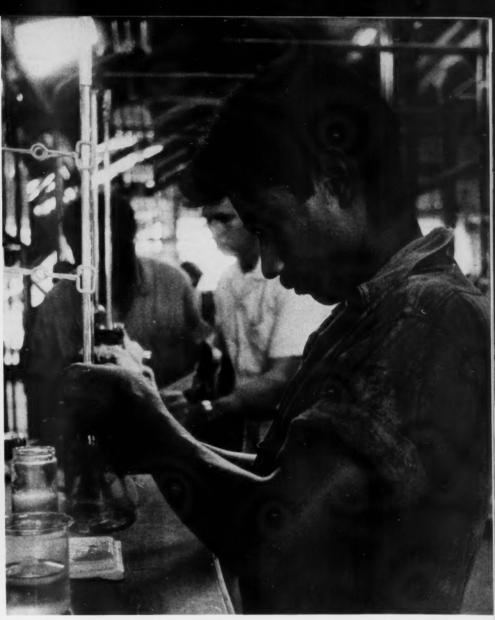
end of the country. Her abundant labor force was unskilled and largely uneducated. There was an almost complete absence of basic industry. And where was the capital to finance a program of industrialization to come from?

But look at El Salvador today—just one decade later..

"Ten or 15 years ago there were only a few food processing and textile plants in El Salvador," Dr. Ulisis Flores, manager of the Asociación Salvadoreña de Industriales (Association of Salvadoran Industries) told this reporter in a recent interview, "now, our industries are producing the finer intermediate goods. Next year we will have two more basic industries, a fertilizer plant and two refineries, Shell and Esso, with a \$12-million invest-







ment." These basic industries are to be located around the new Port of Acajutla, where Compañía Cementos Cessa already has a large cement plant.

The Industrial Association, an organization of Salvadoran private enterprises, has its offices on the fifth floor of the modern Ruben Dario Building in the heart of downtown San Salvador. There, in a big sun-drenched room, Dr. Ulisis Flores peers through his thick spectacles at columns of figures, charts and graphs, working to create a favorable climate for industrialization and investment, encouraging new industry and looking to the needs of established industry. The Association numbers among its membership 142 industries.

Industrialization is moving ahead at a rapid pace. Besides the refineries and fertilizer plants planned for Acajutla next year, there were inaugurated last year a \$2.3-million sugar refinery, a \$7.2-million cigarette factory, and an \$800,000 dairy products plant at San Miguel in the east. According to Dr. Flores, industrial production is growing at a rate of 10 per cent a year (the rest of the economy at about six or seven per cent). Industrial investment is increasing at about 12 per cent. But a vast amount of investment capital is needed to hold production ahead of population growth. Where is this capital coming from?

The Esso and Shell refineries will consist of about 90 per cent foreign capital and the fertilizer plant will be about 70 per cent foreign. Flores says the capitalization of heavy industry is divided in about that manner. Medium industry is often financed on a

50-50 split of foreign and domestic capital, and small industry is largely, domestic.

Foreign investment in El Salvador today stands at about \$12.8 million. That is roughly double what it was in 1953. There was one big jump of about 30 per cent in the year 1956; and since then there has been a steady increase in foreign investment amounting to about \$500,000 a year. Advent of the refineries next year will give a tremendous boost to foreign investment in the country. Although the recent change in government may tend to slow temporarily the inflow of private foreign investment, the attitude of the Transitory Government toward foreign capital (as explained elsewhere in this issue, in the interview with the Junta) gives little cause for alarm:

For the story of why foreign investment is attracted to El Salvador, and why it should continue to come in increasing volume, let's go back to the beginning-in the early 1950's. When the Government launched its drive to industrialize the nation, one of its first actions was to insure power for industry. With this in mind, a hydro-electric power project was undertaken on the upper Lempa River, known as Presa. Cinco de Noviembre (November 5th Dam). The dam was completed in 1954 with a power output of 45,000 kws. There is now being installed an additional generator unit that will boost production to 60,000 kws. Facilities now under construction at Lake Guija, 45 miles northwest of San Salvador, will increase output from the overall Lempa-Guija project to 90,000 kws. Power from these governmentowned projects is distributed through privately-owned transmission systems.

Private generating plants provide another 20,000 kws. Already surveyed for construction in the near future are another five hydro-electric projects along the Lempa, for an additional 170,000 kws. And serious consideration is being given by the Nuclear Energy Commission to installation in another eight to 10 years of a nuclear power reactor to meet the needs of expanding industry. The rate of increase of energy consumption is estimated at 12 to 15 per cent annually. Salvador's government-controlled rates are among the world's lowest.

Beginning in the early 1950's, a major chunk of the annual budget was tagged for education and public works. Salvador's drive to eliminate illiteracy and provide higher education has contributed to an increasingly literate labor force that is capable of learning skills rapidly and well, when industry brings employment to them. A large part of the public works funds went into the building of a road system second to none in Central America.

There are 550 miles of paved roads in this 160-mile-long country; 1,886 miles of improved all-weather roads, and 2,759 miles of dirt roads. Completion at a cost of \$23 million last year, of the Littoral Highway along the Pacific from Acajutla to La Libertad was a major step in the building of a 190-mile coastal highway from the Honduran border to the Guatemalan border. With 150 miles of this road now paved, the remaining link between Acaiutla and Guatemala is expected to be finished next year. This is in addition to the 197-mile Inter-American Highway. At the end of 1959, there were 26,400 registered motor vehicles moving over this highway network.

El Salvador has two railroads with a total trackage of 388 miles linking all important cities and connecting with the rail lines of neighboring countries. Ten airlines serve El Salvador in either a passenger or freight capacity. Ilopango airport will soon be expanded to handle jet traffic. Nine shipping lines regularly serve the nation's ports, plus some 250 ships in non-scheduled service. This shipping included 740 ship berthings in 1959; the ships unloaded 348,000 tons of import products and took on 132,000 tons of export commodities. Altogether, an impressive transportation system for a small nation just beginning to industrialize.

In financing public works, El Salvador has had World Bank assistance totaling \$31.6 million, plus Eximbank aid of \$1.5 million. These public funds went to pay for the Inter-American and coastal highways, and for feeder roads and the hydro-electric projects. Proposals now up for consideration by the World Bank are: \$20 million for improvements to the communications system and \$4.3 million for the Lake Guija generator. Other projects proposed for outside financing are: \$5 million for jet service facilities at Ilopango: \$1.5 million for the Port of Acajutla; \$1.2 million for small town waterworks-both with Eximbank; and \$5 million with the Development Loan Fund for jet airstrip construction. Eximbank and International Finance Corporation financing to Salvadoran industries has included a total of \$206,000.

The nation's gold reserve during the past 10 years has fluctuated between \$16 million and \$40 million, and at the beginning of this year stood at slightly over \$30 million—down about \$900,000 from a year ago. The Federal budget for 1960 is \$72.4 million, about the same as for the preceding three years. But over this same three-year period there has been about a \$40 million loss of revenue due to declining coffee prices. Nevertheless, the nation's balance of trade has averaged out consistently favorable.

Turning once again to the private investment sector, as a part of efforts to launch a program of industrialization, there was passed by the Salvadoran Legislature in 1952 the Ley de Fomento de Industrias de Transformación, generally known as the Industrial Development Law of 1952. This law was designed to attract private investment capital for new industries. The law states in part: "The state will encourage and protect private initiative to the extent necessary to increase the

national wealth and to assure the benefits of such wealth to the greatest number of inhabitants of this country."

For those industries considered by the Ministry of Economy to be necessary to the economy, the law grants a full exemption of income and capital tax and import duties on equipment and all materials, for a period of five years; and an additional 50 per cent reduction for the next five years. For those industries qualified as convenient to the economy, the law affords exemption of import duties for equipment only. Since monopolies are forbidden by law in El Salvador, the above benefits are also afforded future investors in similar industries, but only for the duration of the exemption schedule set up for the first applicant.

For obvious reasons, the Law of 1952 has been and continues to be a notable inducement to private investment, both foreign and domestic. Foreign capital is welcomed and actively sought in El Salvador, and is subject to the same regulations and controls, as well as benefits, as is domestic capital. There are no exchange regulations, and there is ample guarantee of convertibility of all exchange. Profits from investments are permitted to move freely out of: the country. Confiscation is prohibited' and government expropriation is permissible only for public welfare and after just compensation. In January of this year, El Salvador signed with the United States an Investment Guarantee Agreement.

Such, at least, has been the legal outlook toward foreign capital for industrial development under recent administrations. There will undoubtedly be some changes made in the Ley de Fomento when a new congress is convened. But the attitude of the Transitory Government is encouraging. The Junta is in agreement that if changes are made in the law, "they will be for the betterment of the law, and to protect and encourage private enterprise." There will be no special privilege granted foreign investment that is not shared by local capital. "Special privileges," said Dr. Fabio Castillo of the Junta, "would lead only to a difficult situation in the future, and for the protection of foreign capital, itself, they should not be granted. But there will be every guarantee for foreign investment.'

Labor laws provide that 90 per cent of the personnel of an enterprise must be Salvadoran. This may be reduced in special cases, and the percentage does not include management or administrative personnel.

Corporations pay a flat five per cent income tax on profits. Stockholders'

dividends are taxed on the basis of the bracket in which they fall. There is no tax on dividends unless and until they are declared. The exemption for individual personal income is \$2,400 of net income. Individual income taxes are progressive and proportional and quite favorable. For example: the tax on \$60,000 amounts to \$16,000, and any income above \$60,000 is a flat 44 per cent. There is no double taxation in El Salvador.

The Junta will no doubt submit to the new congress when it convenes, proposals for income tax changes that will hit the upper brackets harder than in the past. But the Junta plans no unilateral action in this respect and pledges to leave any such changes up to congress. "We do not wish to give the impression that we favor the wealthy," said Dr. Castillo, speaking for the Junta, "nor can we say at this time that we plan any profound reforms (in taxes)." But the Junta has expressed its interest in stimulating foreign investment and private enterprise, and it will probably not push any radical tax changes that would be detrimental to these aims.

The gross national product in El Salvador in 1959 was \$490.68 million. Of this amount agriculture and livestock claimed the greater percentage (36.8 per cent), followed by commerce (21 per cent), and industry (13.8 per cent). The national product in 1959 was about \$69 million more than in 1955.

El Salvador's export-import picture is as follows: The top export commodity in 1959, by a wide margin as usual, was coffee (\$71 million, down \$20 million from 1955, reflecting a declining trend); cotton in 1959 increased in importance (\$23 million compared to only \$9 million in 1955); there was a three-fold increase in sugar exports during the 1955-59 period, to \$1 million; a burgeoning shrimping industry is represented by an eight-fold increase to \$794,000.

On the import side of the ledger, light manufactured goods topped the list in 1959, about the same as in 1955, at \$34.5million; machinery and transport equipment amounted to another \$20 million, again about the same as in 1955; foodstuffs, significantly, accounted for the third largest item, \$16.8 million, up \$3.4 million from 1955; chemical products, \$16 million, up \$4.2 million; other imports, far less in valuation, included beverages and tobaccos, raw materials and fuels, edible oils and livestock.

While on the subject of imports, it is disturbing to note a steady decline in the United States' slice of El Salvador's import pie, in relation to the

whole. This is not the Salvadoreans' fault. Invariably, Salvadoreans point out almost apologetically that they would much prefer to do business with the United States. They like U.S. products and equipment and find the service better, but the prices and terms of trade are forcing them to turn to Europe. Dr. Flores, of the Association of Industries, pointed out that his country's import picture "reflects a tendency to deal with Europe instead of the United States."

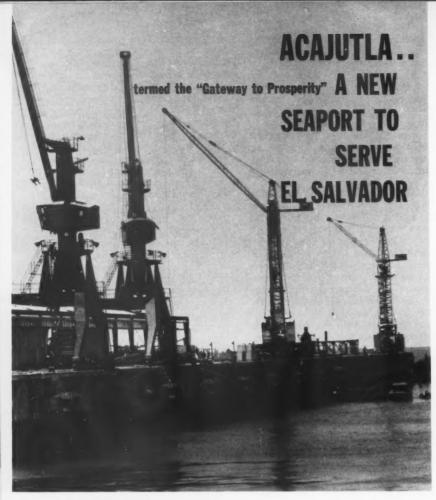
of the United States."

The Treaty of Economic Association, signed by El Salvador, Guatemala and Honduras in February, has given a big shot in the arm to Salvadoran industry. Under terms of this agreement, a three-nation common market is created in which almost completely free trade will be achieved inside of five years. Nationals of each participating country are to receive national treatment in the other countries, and participants are obliged to maintain free convertibility of their currencies. The treaty is open to signature by Costa Rica and Nicaragua and both are expected to sign.

The immediate effect of this pacthas been to encourage new industries to come to El Salvador that hitherto would have found the single-nation market inadequate to assure a profitable operation. New industries in El-Salvador, almost without exception, are building and equipping their plants to supply a market of eight to ten million people. Old, established industries are making plans to expand and equip their plants with a Central American common market in mind-not somewhere off in the shadowy future, but within a few months' time. Early next year, healthy slashes will be made on duties levied against many products moving between the signatory nations, with further cuts each year until most items are traded freely by the fourth year. The Junta has pledged itself to respect all international agreements, including the common market agreement. "We will try to stimulate development of the common market more and more," said a spokesman for the Junta.

The effect on Salvadoran industry of this new "bigness" of thinking and planning has been to create an aura of enthusiasm and optimism for the future. Moreover, prospects for a Central American common market, coupled with the numerous advantages that El Salvador offers as an industrial base, makes this one-time "Coffee Republic" an attractive prospect for increased foreign investment.









For years the dreary little Salvadoran port town of Acjutla dozed along an ocean beach near where the Rio Grande de Sonsonate empties into the Pacific. This is at the west end of the Republic, about 40 kilometers from the Guatemala border. A paved highway beside a narrow-gauge railroad track led from the town across the tropical plains of Acajutla and up the valley of the Sonsonate by the base of the active volcano, Izalco, which lighted the sky at night with its regular eruptions at 15-minute intervals. The road drove straight through the valleys, with fields of sugar cane and corn, and into the hills where coffee is grown, and on to San Salvador, an hour-and-forty-minute drive from the coast. Another road branched off this one and led inland to Santa Ana, sec-

Behind Izalco and along the slopes of the volcanoes and the mountains all the way to Santa Ana lies the heart of the coffee country. Here, in the west end of the Republic, 65 to 70 per cent of El Salvador's principal export crop is grown. During the coffee season, from November to February, the bags of new coffee beans rolled down to the ports by truck and on the little British-owned railroad with its miniature steam locomotives. The logical shipping port for the coffee crop, by reason of its nearness, was Acajutla.

ond city of the country.

But Acajutla was equipped to handle only a fraction of the crop, and the rest of it had to go out through La Libertad, or make the long haul the length of the nation to La Unión on the Gulf of Fonseca. Cutuco, near La Unión was the only deep water port on the Salvadoran coast where ships could load and unload at dockside, and even Cutuco was limited by harbor conditions to ships of 6,000 tons. La Libertad, because of its closeness to San Salvador, got most of the import shipping, but here ships had to stand offshore and unload by lighter.

At Acajutla, too, it was necessary to load by lighter, while ships anchored out in the open Pacific Fortunately, during the busy coffee season, the seas are calm and loading could be accomplished by this relatively slow, costly and tedious process, and in such a manner was much of the coffee crop then handled. But during much of the rest of the year no ships stood by off Acajutla, and longshoremen and workers who lived in the squalid shacks of the little town behind the beach were. more often than not, idle. Acajutla, as a port, ran a poor third to La Unión and La Libertad.

In 1952, a bill was put through the National Legislature to build a new seapert at Acajutla. To carry out the building and operation of the new port, there was created the Comisión Ejecutiva del Puerto de Acajutla (Executive Commission for the Port of Acajutla), commonly known as CEPA. Four years ago, a German firm began to build the port. Under the guidance of CEPA and its energetic young general manager, Ernesto Rivas, the new port will be opened to shipping next March. One of four great warehouses will be ready then, followed by a second some 40 days later, and by September of next year, the port is expected to be completed.

As the port stands today, giant cranes are at work far out near the end of the wharf area, sinking the last of the steel cells and filling them with concrete. Ground breaking activities are under way for the warehouse area. The entire port area is an ants' den of activity as heavy construction machinery and hundreds of workers trundle and

hustle about their jobs.

The new port is being constructed several miles east of the old town of Acajutla and along a low, earthen palisade with the white breakers of the .Pacific rolling up on the beaches below. The access mall and wharfs run out to sea in the shape of a golf putter. The handle of the putter is the access mall, which extends 1,105 feet from the palisades, forming a roadway connecting the wharfs to the shore. The head of the putter is the wharf area, which is another 413 feet in length, 120 feet wide and stands 23 feet above the water at half tide. The docks will berth four ships at a time—two in the protected inside area and two on the seaward side. The seaward side of the docks can be used only in calm weather, but this includes the important coffee shipping season of the year. The harbor depth is designed to accommodate ocean-going ships of 33feet draft.

The port makes use of the latest construction techniques, involving the sinking of steel cells, circular on the land side and square on the seaward side, and the filling of these cells with concrete as support for the dock surface and roadway. This construction utilizes 12,500 tons of steel and costs \$6' million to build. An additional \$4 million is scheduled to be spent inwarehouse and storage construction, paving, power facilities and administration. Tugs and tenders and the like will account for a \$1-million investment

Warehouse yards and roads will require 79,000 square yards of pavement. At the beginning, there will be four concrete warehouses with 220,-000-square-feet capacity, capable of handling a movement of 4-million tons a year, plus a 4,000-foot transit shed. There is room in the yards for construction of an additional eight warehouses or bulk-storage facilities,

as these are needed.

Between the port area and the old town of Acajutla, there is scheduled for construction a new city that will include attractive residential areas and commercial streets. The Government plans to aid private enterprise to build low-cost housing for port and industrial workers, that will be in sharp contrast to the substandard housing now prevalent in the old town.

What does this new seaport mean

to El Salvador?

An inkling is seen in the slogan that CEPA uses to describe Acajutla. They call it the "Gateway to Prosperity." "Acajutla means economic independence for El Salvador," said CEPA general manager Ernesto Rivas.

Now, at long last, El Salvador will have a deep water port capable of direct berthing of ships for fast, inexpensive handling of cargo. It is strategically located in relation both to San Salvador and Santa Ana, first and second cities of the Republic, and also to the principal coffee-growing areas. It will provide quicker turnover of commodities and products and free transport facilities for other purposes. Costs will be greatly reduced for shippers.

But the Port of Acajutla is even more significant in two other important respects: 1) Acajutla improves El Salvador's position in the international distribution of goods and commodities throughout Central America and helps bind the common market countries closer together; and 2) it is a strong stimulus to industrialization.

network of paved highways and railroads stretch out from Acajutla in all directions-not only throughout Bl Salvador, but into neighboring countries, as well. The paved Littoral Highway now connects Acajutla with La Libertad to the east, and soon will be completed to the Guatemalan border on the west, where it will connect with Guatemala's coastal highway. The richly productive west coast of Guatemala is located 350 kilometers from Guatemalan ports, which are on the nation's east cost. Guatemala City, itself, is 225 kilometers from the eastcoast ports, but will be only 180 kilometers from Acajutla by the new road. Honduras, also, will be served by the Port of Acajutla. A Free Zone is planned for the port, and there will be no duties on goods in transit to and from other Central American countries.

With Acajutla about to come into its own as a major Central American shipping center, it sees itself at the

same time in the embryonic state as an important industrial center. For several years there has been in operation at Acajutla, adjacent to the new port area, the dust-shrouded plant of Compañía Cementos Cessa, S.A. Onehundred-and-eighty men work at Cementos, turning out 100,000 pounds of cement a day, 1.5-million bags a year. The plant is good for another five years operation before exhaustion of ingredients forces a move.

In a field across a ravine from the Cementos Plant, and stretching along the palisades to the east, Esso Standard Oil plans to build a large refinery. Adjoining the Cementos plant on the. inland side Refinería Shell de El Salvador, a subsidiary of Shell Oil Company, has acquired a 200-acre tract of land for construction of a refinery. The two refineries are reportedly scheduled to run 6,000 barrels a day. Construction is expected to get under way sometime next year. These plants are designed to serve all Central America and are direct outgrowths of

the new port, A group of investors representing the United States, El Salvador, Costa Rica and Germany has announced intentions to build a \$10-million chemical fertilizer plant on a triangular tract between the Shell property and the port area. This plant, originally slated for Costa Rica, would turn out 180,-000 tons of fertilizer annually to serve the common market area. A glass factory and other industries are expected eventually to fill the industrial zone set aside between the port area and the urban development to the west. Privately-owned hacienda lands surrounding this entire area will provide ample space for industrial expansion in the future.

"Interest in industrial development around the port is amazing," said Ernesto Rivas. "And we have the great advantage that we started to build from scratch. We have all the land we want for industry. In connection with the port, we have planned a whole new city, carefully zoned . . . "

As it nears completion, the Port of Acajutla joins with prospects for a Central American common market as major stimuli to industrializationindustry that El Salvador hopes will free her from the shackles of a "one crop" economy.

Building a seaport for El Salvador . . . CEPA General Manager Ernesto Rivas





Grand salon of Hotel of the Mountain, soon to open, looks out on the black cone of Izalco volcano.



New Promotion Ideas To Augment

Here, tourism is an industry, too—as much as a factory is an industry," said Adolfo Rey, the bustling young assistant director of El Salvador's newly reformed Government Tourist Department. And that is the official attitude which this Central American Republic is taking toward tourism today. Rey and his superior, Director of Tourism Hector Trujillo, believe that El Salvador's long neglected tourist industry has to be put on a business-like basis. This means the provision of first-class facilities and services for tourists, the promotion of the country's many attractions where that promotion will do the most good, and making the tourist's stay in the country a pleasure to him and a profit to El Salvador.

This land of lovely lakes and towering volcances has always had a lot to offer the traveler, but a unified, carefully planned program to exploit the tourist potential is a relatively recent innovation. First, it was necessary to provide facilities for tourists. Already there was an excellent road system with access to most of the national parks and natural attractions. Then Salvadorans built Central America's first true luxury hotel, the ultra-modern Hotel El Salvador Intercontinental at the base of San Salvador volcano, overlooking the city of San Salvador. Now constructed, and preparing for opening in three or four months, is the luxurious Government-owned Hotel of the Mountain, high up on the misty slopes of Santa Ana volcano and over-

looking the, until recently-active, cone of Izalco less than a mile away.

"I think that with a good program we can double the present tourist influx," said Rey. "Until now there has been no real promotion. We plan to visit travel agents in the States. We are working on a cooperative promotion program with other Central American countries, whereby we will print joint promotion materials and open a joint tourist office in New York and other important cities in the United States."

Under the new government the Junta has made it abundantly clear that tourists are as welcome as ever to El Salvador and that the Government will continue to offer full support for the promotion of the industry. And there is certainly no



High on a hill, lovers look out over Lake Ilopango.



The main pool of Club Salvadoreña's Lake Ilopango setting.

Wandering Among

We came down to El Salvador the usual way, by air, on one of TACA International Airlines' swift Viscount flights out of New Orleans, and the flight over the Gulf of Mexico and the jungles of Yucatán and the Petén had hardly begun when we sat down at Guatemela City. It was only about half an hour's jump over the lush, green mountains to San Salvador, and we landed in the early afternoon at Ilopango Airport and took a taxi across town and out the Inter-American' Highway to Hotel El Salvador Intercontinental.

The hotel is a gleaming white, modernistic honeycomb that sits atop a hill looking out over a lovely residential *colonia* and with the volcano of San Salvador towering above and behind it. We settled into our plushly comfortable room with its private balcony overlooking the pool and the volcano.

Later that evening—much later, because the dining hour in El Salvador is around 9:00 or 10:00—we were faced with the difficult decision of where to dine. There are several restaurants serving excellent cuisine. The dining room of the Hotel El Salvador, the Rendezvous, offers some of the finest cosmopolitan cuisine in all Central America. A Latin orchestra plays for your dining and dancing enjoyment, accompanied by the husky voice of a svelte anteuse. Another favorite restaurant is the Siete Mares (Seven Seas), located in the residential hills not far from the Hotel El Salvador and overlooking the city. One dines here in an atmosphere of the tropics, and the local dishes served at Siete Mares are as excellent as those more cosmopolitan. Dining is to violins.



Maiden carrying laundry on her head passes by the pool in Atecozol National Park: Izalco rises into the mist in background.

Natures pyrotechnic display ... Izalco in its firier days.



El Salvador's Tourist Industry

cause for the tourist to be alarmed over the change in government. The tourist's welcome is warm.

The young Tourist Department has only begun to compile its statistics, but these show that about 1,000 U. S. tourists came to El Salvador by p'ane last year. Most U. S. tourists fly down to El Salvador. By TACA International Airlines' fast Viscount flights (round trip fare \$147.60). San Salvador is only a comfortable four and one-half hours out of New Orleans, with one stop at Guatemala City. But more travelers are driving down via the Pan American Highway than ever before. Perhaps 250 came by car last year. Tourist Department records show that the average U. S. tourist stays three or four days in El Salvador

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and spends from \$25 to \$30 a day there But the United States ranks only fifth among the countries where El Salvador's Guatemala, Mexico, Honduras and Costa Rica. Records of the Hotel El Salvador Intercontinental show that 55.8 per cent of the hotel's guests are from the United States, with New York the biggest contributor. The hotel played host to 41 conventions in 1959, and augurs well to double that in 1960. Salvadorans are to their country increased 27.2 per cent in the first half of 1960, over the same period in 1959.

To handle the fledgling tourist in-dustry, San Salvador, itself, has available about 420 hotel rooms, and in the coun-

try as a whole there are some 1,000 rooms in pensiones (boarding houses); some of these are excellent. Besides the one luxury hotel, El Salvador Intercontinental (with quite reasonable rates for a luxury hotel), there are two first-class hotels downtown, and a first class motel; there are several second-class hotels. A new 60 to 80-room air conditioned hotel is building in the downtown area. The larger provincial cities and towns also offer generally good accommodations. There are three or four travel agencies, including one fine service located right in the lobby of El Salvador Intercontinental, where tours may be arranged. Rental cars are available for \$5.50 a day, \$30 a week. Gasoline is 50 cents a gallon.



Cliffs, beaches and breakers along Balsam Coast, recently opened up by the Littoral Highway, a lovely drive along the Pacific.

Lake Coatepeque, nestled under Santa Ana volcano on road to Cerro Verde National Park and Hotel of the Mountain.



Lakes and Volcanoes in El Salvador

There is not much after-dinner night life in San Salvador, so we were up early the next morning. The roosters about the countryside begin to crow before dawn and the sun comes up to paint the slopes of the volcano with its proud head still lost in the morning mist-no time for sleeping. After a hearty breakfast topped by fruits of the tropics, we were off for a tour of the city.

San Salvador lies in the shape of a crude cross in the Valle de las Hamacas (Valley of the Hammocks). At the center of the cross, formed by the intersection of the two principal east-west streets, Calle Arce and Calle Ruben Dario, with the broad Avenida Cuscatlán, which becomes Avenida España north of Arce, is situated the commercial center of the city. Salvadoreans refer to the downtown area as El Centro. In this general area pulses the commercial life of the city. Here are modern five and six-story office buildings, banks, cinemas, shops, department stores. The national theatre is nearby. And a block or two off Avenida España are the colorful market places of the city.

Fronting on the Avenida Cuscatlán. at the intersection of Calle Ruben Dario and across from Barrios Park, rise the stately columns of the National Palace, which serves as the nation's Capitol. Alongside Parque Barrios, a new bank building is going up, and opposite the far corner of the park is located the Club Salvadoreño, San Salvador's most fash'onable club, about which revolves the social life of the city's elite. One block to the east is the Parque Libertad where the unemployed gather each day and prospective employers come to hire. Nearby is the Cathedral, in process of reconstruction following destruction by fire, and a few blocks distant is the ancient little church of La Merced, where rang out in 1811 the first call to freedom.

Leaving El Centro, and proceeding west along Calle Arce, one finds the American Embassy and the Consulate, and further along, the buildings of the School of Medicine. Turning north at this point, one passes a modern high school and comesito a circular fountain where colored lights play on the waters at night. Just beyond, in an open field at the edge of town, El Salvador's modern University City is starting to build — and beyond this, a workers' housing project.

There are many lovely parks in San Salvador: Parque Cuscatlán, Parque Infantil (a children's park), Campo de Marte with its track and sports center, and the Zoological Gardens. A magnet for sports fans is the National Stadium built for the Central American Olympic Games in 1935. Sharing the sports limelight with soccer, basketball has become one of San Salvador's most popular sports.

Snuggled up against the hills south of town is the Presidential Palace, and

nearby one can drive up on a hill where an overall view of the city is possible. Picking up the Calle Modelo in this vicinity, it is a short, pleasant drive into the hills to the Plains of Renderos, a lush park with handsome monuments to the heroes. Balboa Park is not far away, also El Gran Mirador, a striking structure providing a stunning view of the Central Valley and of the city of San Salvador. On the other side of the park, looking down to the Pacific, is the fabulous view from The Devil's Door.

In another direction from San Salvador, only eight miles east out Ilopango Boulevard, is Lake Ilopango, largest of El Salvador's lovely lakes. Cradled in the cone of an ancient volcano and surrounded by wooded hills, Lake Ilopango is the summer playground of San Salvadoreans, rich and poor. Here are improved public beaches and picnic grounds; sailboats scud in and out among the islands along the 30 or 40 miles of jagged shoreline. Behind a guarded gate, in a lush cul de sac at the end of the road that skirts the north shore, the Club Salvadoreño maintains a posh summer playground for its members. Here are fine beaches and a yacht club, riding stables, an 18hole golf course, and three swimming pools at the fashionable clubhouse on a hill above the lake. San Salvador members refer to it as their country club. Thirty-day visitor's cards may be obtaind through the hotel for privileges at all Club Salvadoreño facilities.

After having absorbed the scenic beauty and explored the points of interest in the vicinity of San Salvador, we journeyed one day, in the company of a representative of the travel service at the Hotel El Salvador, out into the countryside. Our guide was Jim Ruíz, a young student at the National University, with a vast fund of knowledge about his country and a burning interest in it and in his charges. It was one of those brilliant blue days in late September with the rainy season just drawing to a close and the only sign of rain being in the billowing white thunderheads set off against the intense blue of the sky; and in the uplands it was pleasantly cool.

El Salvador has but two seasons: the rainy season from May to October, which Salvadoreans call "winter," and the dry season from October through April, which is their "summer." The dry season is the more pleasant, but there is little change in temperature, ranging from 50 degrees to 85 degrees and usually pleasantly spring-like in the uplands, but hotter in the coastal lowlands. And even the rainy season sees little more than an afternoon shower, except for a few weeks of heavy rain. In the dry season, there is almost no rain at all.

This particular day was a herald of the approaching dry season, and we rolled west on the Pan American Highway through the old village of Santa Tecla, through the gap in the mountains that separates the Central Valley from the Pacific lowlands, and in a wooded canyon we came to Los Chorros Park. At Los Chorros spring-fed waterfalls cascade down a shady gorge to form a series of crystal pools in a sylvan setting. Just beyond Los Chorros, the road to the Coast leaves the Pan American Highway and runs through a lush, cultivated valley past the base of Izalco and the picturesque Indian village of the same name. Along this valley are such pleasant parks and recreation spots as Atecozol National Park. Further along is the town of Sonsonate with its typical colonial architecture, and we were then out on the Plains of Acajutla, and nearing Acajutla town where the new seaport is being built.

Leaving Acajutla, our tour carried us east along the new Littoral Highway, across the plains where the Spaniards fought their toughest battle



tepping stones among the waterfalls and ools of Los Chorros Park.

A TACA Viscount refuels in front of San Salvador's Ilopango Airport.





Colorful honeycomb architecture of Hotel El Salvador Intercontinental.

Pool and cabanas of Hotel El Salvador at the base of San Salvador volcano.



for the Conquest of El Salvador and where Indian mounds stand beside the road, and soon into the mountains that run down to the sea. From this point on to La Libertad, the highway is carved along the cliffs with the Pacific breaking on the rocks below, through tunnels and now and then ducking back into jungle-grown canyons with great Amate trees and the huge La Ceibas. This is the famed Balsam Coast, and the inlets are blessed with blacksand beaches, remote and deserted, where the surf of the Pacific rolls in from far out-an endless chain of frothy white breakers.

La Libertad, with its glareless beaches of black volcanic sand, is the winter playground of San Salvadoreans, and here again is a lovely, modernistic beach club of the ubiquitous Club Salvadoreño. There are no resort hotels on the coast of El Salvador, but there are many private clubs where arrangements can be made for visitors. From La Libertad it is about a 20-mile drive through the mountains to San Salvador.

On another unforgetable day, we drove west again and this time followed the Pan American Highway to the coffee capital and second city, Santa Ana, on the north slope of the volcano of that name. Near here is the Indian ruins of El Tazumal. The slopes of Santa Ana volcano provide the fertile soil for some of the nation's finest coffee plantations.

Fourteen miles short of Santa Ana, the highway runs by picturesque Lake Coatepeque, nestled in a volcanic crater far below the rim. There is excellent fishing in Coatepeque and the setting is a scenic paradise. A branch road follows around the rim, with coffee fincas on the one side and the lake far below on the other, for about 20 miles to Cerro Verde National Park. At Cerro Verde, high on the slopes of Santa Ana volcano, is located the new Hotel of the Mountain, soon to be opened to the public.

An architectural marvel, the hotel is built of red lava stone and glass and blends unobtrusively into the face of the mountain. Sharing the grand salon of the hotel with three estufas (fireplaces-pleasingly comfortable at this altitude of 6,000 feet), guests will look out through broad expanses of glass to the stark, black cone of Izalco less than a mile away (appearing only a stone's throw). Construction was begun on the hotel when Izalco was still errupting regularly at intervals of less than half an hour, providing one of nature's grandest fireworks. Though Izalco had been active for a century, now it suddenly stopped. But Salvadoreans are optimistic that it will renew its per-

formance soon. Meanwhile, the hotel nevertheless occupies a position of unequalled scenic grandeur, set in the untouched jungle forest of Cerro Verde Park, and the symmetrical cone of Izalco remains startlingly spectacular.

Taking the Pan American Highway east out of San Salvador, one may enjoy a delightful, 100-mile trip past picturesque old villages such as San Vicente, across the graceful bridge over the Rio Lempa, to the city of San Miguel, and on to La Unión on the Gulf of Fonseca. From here, one may cruise the 40-mile-wide Gulf, among the many islands where natives take their produce to market by canoe. Fishing is excellent, especially shark fishing in the Pacific off the Gulf.

An alternate route east from the capital, is along the Coastal Highway,

where there are side roads running down to the sea. An interesting side trip is to the Jaltepeque Estuary; and a second, to the Jiquilisco Estuary. These two estuaries offer excellent fishing and sailing in the sheltered waters; and it is a short walk of a couple of blocks distance across a spit of land from the quiet backwaters to the playas, or sandy beaches, where the roaring surf of the Pacific offers unrivalled surf bathing and fishing.

For those who seek hunting territory, the best opportunities lie in the mountainous interior, more off the beaten path. These are but a few of the scenic, cultural and recreational delights that we found in El Salvador, and which make us wish to return again and again to this land of lakes, coffee fincas and volcanoes.





Farming fertile volcanic

Agrarian research at Santa Tecla Center



El Salvadors agriculture ...





Coffee . . . higher yield from fertilization

Dr. Lewy van Severen of Santa Tecla Center

research

diversification

In spite of great strides recently made in industrialization, El Salvador remains basically an agrarian nation, today as always. Thirty-eight per cent of the gross national product derives from agriculture and livestock. Almost 100 per cent of the nation's exports consist of agricultural products, and aside from tourist dollars, just about all of El Salvador's dollar exchange stems from products of the soil.

All land that is not either unfertile or too steep for working is intensively cultivated. All volcano slopes and mountainsides that are too steep for working with mechanical implements are worked with oxen, and those too steep for oxen are worked by hand. Yet, despite the fact that El Salvador is an intensively cultivated agricultural nation, she must nevertheless import foodstuffs in the amount of 17 per cent of total imports. The reasons for this will be seen later, and this unfortunate situation provides in El Salvador the best opportunities for foreign investment through private enterprise in the agricultural field.

The outsider thinks of El Salvador as strictly a coffee producer. And coffee is the nation's biggest crop in terms of dollar value, accounting for just short of 80 percent of all dollar earnings. Cotton, in recent years, has come to account for most of the remaining 20 per cent. Few outsiders realize that, in terms of colon value. El Salvador's biggest crop is corn. But corn is strictly for local consumption and is the basic food staple of the people. Other important crops are sugar cane (very little sugar is exported, and that to Guatemala and Honduras) and rice (production of which is being boosted by the Government) beans and henequen. Relatively few bananas and other fruits are grown, and these are strictly for local consumption.

Sugar is one crop that Salvadoran

agricultural economists would like to boost production. Due to unfortunate and grossly unfair circumstances, El Salvador was deprived of any sugar allotment whatsoever when quotas were established in the United States. Now El Salvador is pressing for, and stands a good chance of getting, a quota in this country. She would like to sell 10,000 tons annually to the United States, and this would be a big help to the tiny republic in its program of crop diversification.

The centuries-old village of Santa Tecla nestles between volcanic mountains, amid coffee fincas and fields of sugar cane at the head of the high valley in which San Salvador is located. At the edge of the town are situated two of El Salvador's most important agriculture centers. Oldest of these institutions is the Agricultural Center of Santa Tecla, started in 1943 to study and experiment with methods for improving cultivation and production of all crops. It is under the direction of Dr. Mario Lewy van Severen.

Here are located laboratories and experimental plots where research is under way in numerous spheres of agriculture. Through the Salvadoran-American Cooperative Agricultural Service, a Point-4 program now in its last year, and sometimes with the aid of the Rockefeller Foundation, the Center has solved many important problems of plant diseases and insect pests, and perfected the development of disease-resistant and high yield hybrid strains.

El Salvador had to develop its own hybrid corns and now has four such strains. Corn research has been in cooperation with other Central American countries under a unified program. In one year, the Center managed to solve the problem of a disease-resistant strain of rice, the first Latin American coun-

try to do so, and now exports rice seed. The Center operates three other experimental stations: one for the central valley at San Andreas, where a seed farm and the School of Agriculture are situated; one at Santa Cruz Porrello, for the tropical lowlands; and one at Izalco, for livestock and fruit. One of the big problems that the Center is concentrating on is horticulture.

The second agricultural center located at Santa Tecla is the Salvadoran Institute for the Investigation of Coffee. The Coffee Institute is under the direction of Fernando Saurez de Castro. A second coffee research station is located at Santa Ana. The Institute, now in its fourth year, is concerned with increasing production through better methods of soil fertilization and the control of diseases and insects. Research is being carried on in the growing of coffee without shade, for better yield. Salvadoran coffees, some of the world's finest mild coffees, are grown under the shade of the Inga or Pepeto trees-trees with slender trunks that provide wide but not too dense shade canopies, allowing some sun to filter through. Moreover, the Institute has in operation a widespread program of extension work, teaching small farmers how to grow more and better coffee.

The Institute's efforts are just now beginning to pay off. Although coffee acreage has not increased (there is very little additional coffee land left for development in El Salvador) the yield is going steadily upward. But the real results are yet somewhere off in the future, because it takes a coffee plant four or five years to begin to bear, then it bears for 15 or 20 years. Coffee production in El Salvador last year was 1.8-million quintales (a quintal equals 101.2 pounds). The average yield of Salvadoran coffee is 12 to 14 quintales per manzano (1.7 acres).

Coffee is grown in the cool uplands of the country, in the upland valleys and along the slopes of the volcanoes. The biggest coffee producing area is around Santa Ana. The coffee beans ripen in the fall of the year and processing begins in November and may last into the following July; but the area of greatest activity is from November to February. The future of coffee in El Salvador, as in other producing nations, is not very bright. There has been a steady downward trend in world prices in the face of increasing world production. What happens to coffee prices, said Fernando Suarez, depends a lot on the U.S. attitude toward price stabilization. But coffee will probably continue to be El Salvador's principal exchange earner for a long time to come.

Regarding corn, the big crop for local consumption, some changes may be in store. The Central American Economic Treaty establishing free trade between countries will permit corn to be supplied from Honduras and Guatemala more cheaply than it can be grown on the steep Salvadoran hillsides, where native varieties of corn are still planted and cultivated by hand often using pre-Colombian techniques. Such corn as may then still be cultivated economically in El Salvador will have to be of the new high-yield hy-

brid varieties.

This fits in with Dr. Lewy's work at the Agricultural Center, and with the program of the Ministry of Agriculture, which is to encourage greater use of the better producing strains of crops, a diversification of crops, and the proper adaptation of crops to soils. The implementation of this program amounts to El Salvador's greatest effort so far at agrarian reform.

The Department of Agriculture, said Dr. Lewy, is trying to force crop diversification through supervised land use and crop production. Under this program, small farmers are given up to 30 hectares of land (a hectare is 2.47 acres), the soil is analyzed by the Center's laboratories, and taking into consideration the soil and economic aspects, it is recommended which crop should be grown on each plot of ground. The system is operated either through cooperatives, or more commonly, through credit associations. The small farmer in El Salvador cannot operate without credit. If he does not follow the recommendations of the agricultural agents as to the crops he should plant, he is not granted credit.

El Salvador's small farmers are of three classes: 1) the small land owners; 2) those who rent land; and 3) the colons, or farmers who work for large

land owners and in return are entitled to a piece of ground for their own use. A small beginning is being made through taxation, in connection with the Ministry of Agriculture's program, to force big land owners to divide their holdings. The land is then divided according to productivity among small farmers, explained Dr. Lewy. A group of farm agents are then assigned to work with the small farmers, at the rate of one agent to every 100 farmers with about 20 or 30 hectares each.

The new Transitory Government is vitally concerned with agrarian reform. The Junta's ideas appear to hew pretty

closely to the lines of reform already initiated, but probably at a greatly accelerated pace, and there may be some difference in methods designed to achieve similar ends. Said the Junta: "Our idea is to achieve full production of the land by intensifying cultivation, and to try to open credit sources for the small farmer who now has not many opportunities for credit."

One of the big food shortages in El Salvador, surprisingly, is in fruits and vegetables. So, it is in this area of horticulture that the Agricultural Center is actively concerned, and efforts are being made to encourage



COTTON IN EL SALVADOR

CLIMATIC and topographical conditions in El Salvador have resulted in the production of cotton of greater yield and better quality.

The prestige of Salvadoran cotton is well known and 80 per cent of the nation's production is destined for foreign markets.

Much of this has been made possible through methods of cultivation practiced by the farmers, and by their outstanding cooperative organization. In effect, the mechanization of all agriculture in the country owes much to the production of cotton and to the Cooperativa Algadonera Salvadoreña Limitada, which is the organization that cultivates and markets all the country's cotton. The Cooperativa has gained merited respect as an organization capable of looking after the interests of the nation's cotton growers.

In the harvest year of 1960-61, it is estimated that the country will produce its biggest crop of cotton (180,000 bales).

The Cooperativa Algodonera has nine Cotton Gins, equipped with the most modern machinery, and a Classification Department in which cotton is graded with the consent of all growers.

In El Salvador the cultivation of cotton has great economic importance as the country's second export crop; but it has, moreover, enormous social significance. In large rural areas where the population depends on this crop, the fortunes of the cotton grower have important effect on the lives of all these people.

All cotton seed is utilized entirely by industry within the country—one of the most robust industrial fields in El Salvador.

production in this field as a part of crop diversification. It is in this sphere that foreign agricultural capital and knowhow might profit in El Salvadc—in production and in the canning and preserving of such foods. Canned food-stuffs are quite high, by U.S. standards, in Salvadoran stores.

A second area of food shortage is found in beef and dairy products—again, perhaps an opportunity for foreign capital and knowhow. There is relatively little beef production in E Salvador, due largely to limited pasture land and the long dry season. Most of the nation's supply of beef is imported

from Honduras (Guatemala also is short in this sphere). Work is under way to improve dairy production, but according to Dr. Lewy, El Salvador will probably never be self-sufficient in milk. Present milk consumption in the republic stands at 130-million liters. Production is only 45-million liters, a gap of 85 million which is made' up by duty-free imports of the powdered product from the United States and Europe.

There is very little opportunity for mechanization of El Salvador's farms, except the flat coastal lowlands where cotton and rice are the big crops, and in the central valleys where sugar cane and coffee are grown on large plantations. The hillside farms are often too steep even for oxen to manipulate. But wherever possible, Dr. Lewy said, efforts are being made at least to replace the pre-Colombian type wooden plows with steel plows. So that, plowshare by plowshare, El Salvador is bringing its agriculture up to date. And in the process, production is steadily increasing in an already intensively cultivated land, to meet the challenge of feeding a fast-growing population that already numbers more mouths to feed per square mile than any other country in continental Latin America. END-REPORT ON EL SALVADOR



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a landslide of friendship

By JAMES H. WINCHESTER

Last Fourth of July, a remarkable scene was enacted at Valdivia, a city in southern Chile. Thousands of Chilenos stood in the raw, bone-chilling winter weather as the flags of the United States and Chile were run up atop twin flagpoles, and a Chilean Army band played "The Star Spangled Banner."

Guests of honor at this ceremony were four dungaree-clad enlisted men of the United States Army.

As the two flags whipped out in the brisk wind, Valdivia's Mayor spoke out to the four soldiers: "We can never begin to show our appreciation to you and to the people of the United States. As far as we are concerned, you have moved forever into our hearts."

On the same day, at the American Embassy in Santiago, Ambassador Walter Howe received a penciled letter, which read simply: "Thanks. May God bless your country."

Behind these expressions of good will and gratitude rests an account of remarkable international humanitarianism and generosity. It began before dawn in southern Chile on Saturday, May 21, 1960. A series of intense earthquakes, followed by tidal waves 24-feet high. The volcanic eruptions and landslides which followed con-

vulsed 90,000 square miles of the land, bringing death and ruin to an area almost as large as all of Great Britian.

When the dance of death was done four days later, large cities such as Valdivia, Puerto Montt, Osorno and Concepcion were ravaged. Buildings were ripped apart. Hundreds were buried in the debris. In the beautiful Chilean lake country, in the heart of the stricken section, the quakes were so violent that mountains disappeared, new lakes were formed, and the earth's surface dropped as much as 1,000 feet for a 25-mile stretch. On the coast, many small communities were engulfed by the heaving ocean, and entire fishing fleets were lost with their crews in the rolling seas.

There was horror everywhere. At Puerto Montt, a six-year-old boy was rescued from debris which had buried him up to the neck. When he was dug out, rescuers found he was holding the bodies of two smaller brothers he had been trying to protect. At Ancud, the tidal waves started in and people ran to higher ground, only to be swept back into the ocean by earth slides. In the fishing village of Castro, practically every life was lost. As the first tidal wave came in, the villagers got into their boats with their families

and put out to sea. The tremendous undertow pulled them to their deaths.

In all, 2,000 died, 5,000 were injured, more than 50,000 homes destroyed. A quarter of Chile's population of 7,500,000 was left suffering in cold and hunger. Although other earthquakes have taken greater death tolls, this terremoto, as the Chileans called it, causing property damage reaching half-a-billion dollars, was one of the great natural disasters of the century.

As its extent became known, international aid began to flow toward Chile as though the seismic vibrations had, automatically, opened the hearts of the world.

First to arrive were the Argentines, with planes and trains loaded with clothing, food, medicines, doctors and nurses. Peru followed. Every Latin American country, from Mexico to Bolivia, was close behind. Canada sent extensive aid, including a fully-staffed field hospital, by air. Through the Red Cross, 33 other nations dispatched planes, technicians, money and supplies. Public and private organizations rallied to Chile's relief. Sweden offered to assume responsibility for the total reconstruction of the fishing



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town of Puerto Saavadra, 600 miles south of Santiago, which was completely destroyed.

The United States responded with a massive effort. From May 26 to June 1, the U.S. Air Force sent 74 great four-engine cargo planes to Chile, carrying a thousand tons of emergency goods, and 800 doctors, nurses and technicians. Included were two 400bed Army field hospitals, a dozen jet helicopters, portable radio stations and water purification units, tents, blankets, clothing and rations. Beyond this, \$4,500,000 in non-government aid came from the United States. A quick, no-strings-attached \$20-million relief loan from President Eisenhower's emergency funds backed up this help.

The thing that really amazed the Chileans, as well as the rest of Latin America, was the swiftness with which U. S. officialdom responded to the emergency. On Sunday evening, May 22, even as the quakes continued, Roberto Vergara, who was then Chile's Minister of Finance, Economy and Mines, called Ambassador Howe at the U. S. Embassy in Santiago.

"Can you help us?" Howe was asked.

The Ambassador explained the situation to the State Department in Washington on the telephone. President Eisenhower was alerted. That was Monday afternoon. By Wednesday morning, Air Force planes were organized, money and supplies allocated, and all started on its way to Chile.

By Friday morning, the first U. S. Military Air Transport Service Globe-master roared into Santiago's Los Cerillos Airport. Pausing only long enough to take on fuel, it went on to hard-hit Puerto Montt, 500 miles further south, to unload its cargo of tents, blankets and emergency rations. Returning to Santiago, the plane evacuated 103 of the earthquake's injured. Only then, after 50 straight hours without sleep, did the crew go to bed.

In a steady stream, funneling in from half-a-dozen U. S. bases, more cargo planes followed. Their crews and their passengers, for the most part, were gathered on an hour or two's notice. For instance, Captain Tom Duff, of Pittsburgh, Pa., a pilot, walked into the orderly room of

MATS' 20th Air Transport Squadron, at Dover, Del., to check out for a two week leave—and left for Chile an hour and a half later.

At Ft. Meade, Md., S/Sgt. Tommie Madden, of Decatur, Ala., in charge of a mobile water purification detachment, was getting ready to go to the NCO club when the phone rang . . . By 11 p. m. he'd rounded up his crews—only four of them lived on the post—and they were on their way.

"I was reading in bed when I was called," says Maj. Helen McCormick, an Army nurse with Ft. Belvoir's 7th Field Hospital. "That was at 11:30 p.m. I was in Santiago, more than 5,000 miles away, the same time the next night."

In Chile, the U. S. air crews broke every rule in the book to land their huge Globemasters at Puerto Montt on a single, poorly paved unlighted 6,000-foot-long runway. The radio in a DC-3, parked at one end of the strip, served as a homing beacon, the only navigational or landing aid in the area. The Army's 15th Field Hospital, from Ft. Bragg, N. Car., was flown directly to Puerto Montt, where it was set up in tents just one week to the day from the time the first quake struck. The 7th Field Hospital, from Ft. Belvoir, Va., went from Santiago to Valdivia by train and truck - a tortuous 72-hour trip - and was erected and operating two hours after it arrived.

Most welcome and needed of the U.S. help were two mobile water purification units, each capable of handling 30,000 gallons a day. Their GI operators had them working within four hours after arriving at Puerto Montt and Valdivia.

Two hours after being unloaded at Puerto Montt, a helicopter from the Army's 57th Medical Platoon, out of Ft. Meade, Md., windmilled down to earth at the remote inland town of Peulla. Eleven solemn-eyed, hungry little children watched it land. Their parents were dead—killed when a mountainside tumbled down on their wooden home. The youngsters, forlorn and helpless, had not eaten in days. Tenderly, PFC. John Shirey, of Sommerville, N. J., a flying medic, leaped down to hustle them aboard. That

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Where they hadn't brought along what was needed, the Americans improvised. At Valdivia, one of the Army's male nurses hastily fashioned an oxygen incubator out of wire splints and plastic bags. It saved the life of a premature baby. On a flight out of Puerto Montt, one of the Army's helicopters collided with a wild duck, ripping away half the windshield. The crew covered the gaping hole with a C-ration box cover and flew it that way, in freezing winter weather, for another month.

The 500-mile-long shuttle between Santiago and Puerto Montt was a busy two-way street. Supplies and technicians came south. The injured and the homeless flew north. Everywhere was evidence of personal solicitude. A pilot gave his fur-collared flight jacket to a small waif shivering in the 40-degree cold. Aloft, crew members ripped open their own packages of C rations, passed them around.

On one flight, a tired Chilean mother

fed her five-year-old daughter from the rations furnished her by a MATS crewman.

"How much, please, for the food?" she asked him.

He replied in halting, high school Spanish:

"Nada, señora . . . Nada . . . Nothing. Courtesy of Uncle Sugar."

Such spontaneous thoughtfulness—the manner of being there to help, not patronize—was widely commented on by Chilean newspapers, radio and TV. A leading Valparaiso newsman, not always friendly to the United States in the past, marveled at the fact that, when he visited the field hospital in Valdivia, there was no sign anywhere reading "U.S. Army."

The Chileans were amazed to see Negro and white medical troops living and working together in harmony. They were impressed, too, by the fact that U.S. officers and enlisted men worked shoulder-to-shoulder at every task, from digging latrines to unloading planes. That the 60 U.S. Army nurses, with the two field hospitals, arrived wearing dungarees, rather than fancy uniforms or dresses, was addi-

tional proof to them that they were there to work, not for show.

"You sent people, not just supplies," the Chileans enthused.

Having found good neighbors, the Chileans made them welcome. Official Chile was lavish in appreciative praise for the U.S. aid. But it was Chile's man - and - woman - in - the - street who really made it clear how they felt.

Taxicab drivers, shoeshine boys and storekeepers refused to let the U.S. visitors pay for anything. Everywhere they went, the Americans were stopped and told, "Nuestra es su casa"—"Our house is yours." In Puerto Montt, T/Sgt. David Serebrin was walking down the street. A Chilean priest walked up to him and shook his hand, saying, "Thank you for helping our poor country. You know, I've always liked North Americans, but I didn't know why. Now I know."

On a train from the south, the passengers made up a collection to buy flowers for a group of U.S. medical technicians returning to Santiago.

"When we left Santiago to return home," recalls T/Sgt. Norman Hoff-



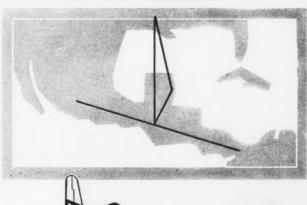
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man, a MATS crewman from Dover, Del, "it was 2 a.m. The kitchen men at our hotel insisted on getting up, though, to cook us a hot breakfast. Neither they nor the hotel would take any money from us. At the airport, even though it was the middle of the night, there were over 5000 people out to see us depart."

Major Martha McFadden, a Ft. Belvoir Army Nurse, looks back on the trip by train and truck from Santiago to Valdivia, with her hospital group, with something akin to awe. "We were like royalty," she says. "All along the way, people came out to wave and sing to us."

At Victoria, in the south, a school principal told a U.S. Air Force major, "What we like about you is that you don't make speeches about Pan Americanism. You are simply here with what we need."

On the reverse side of the coin, the North Americans returned home with their own unanimous and unqualified admiration for the Chileans and their resourcefulness. Remembered with special admiration and appreciation is dark-haired, dark-eyed Señora Kathy Bulgarin de Lisboa, a Valdivia school teacher, whose husband is a Chilean road engineer.

"She attached herself to our unit the day we arrived," reports Captain Dale Wagoner, of Rock Island, Ill., executive officer of the 7th Field Hospital. "From then on we couldn't have operated without her. She translated. She got fuel. She wangled transportation. Her husband came in with his men and built us roads. Anything we needed, she got it for us."

"What a scrounger!" adds Lt. Berkovsky, in tones of pure and sincere envy

All U.S. personnel have now returned to the United States, leaving behind as gifts their hospitals, supplies and equipment. The four soldiers honored on the Fourth of July at Valdivia, were the last to leave.

Back home, Captain James W. Cartwright, of Greenville, S. Car., a MATS pilot, summed up the general attitude: "It's the kind of job you're glad you had a hand in."

In Santiago, hundreds of letters continue to pour into the United States Embassy, expressing thanks for the American efforts.

"I've never seen anything like it," says Ambassador Howe. "The airlift—and the caliber and attitude of those who accompanied it—have done more to cement U.S.-Chilean relations than anything we have ever done here. We've been criticized a great deal about how we always profess friend-

ship for our Latin American neighbors, but how we've never been too quick on the draw to show this friendship in concrete terms. Now the average Chilean has witnessed, and greatly appreciated, the very real interest of the people of the United States."

Richard Hooper, an American businessman from Utica, N. Y., working in Chile, says: "What our GIs have done has renewed the faith and respect of the Chilean people in the United States, instituted a wonderful change in North and South American relations."

It is a change widely hailed throughout Latin America as solidarity fulfilled Latin American newspapers, many unfriendly in the past, have complimented the United States. "In many years of official visits and propaganda, the Americans didn't succeed in doing what they have now done in a few days," editorialized Santiago's La Libertad.

In Caracas, where anti-U.S. feelings often erupt explosively, reports of the U.S. assistance to Chile were headlined. In Peru, the story was played on the front pages for two straight weeks. It was the same in Uruguay, Mexico, Paraguay, Argentina, Brazil, Ecuador, El Salvador, Guatemala and Costa Rica. Even in Havana, newspapers and TV stations carried pictures of the U.S. Globemasters arriving in Puerto Montt, along with complimentary captions.

In Panama and Peru, the passage of the U.S. aerial armada through their airports was well publicized. While this airlift may not cause any great immediate change in attitudes in these two countries, it certainly won't be as easy for anti-Americans there, in the future, to claim that the United States has no sympathy for Latin American problems.

After years of inactivity, of course, the United States has not yet got itself fully squared away south of the border. But the Chilean air lift was a step—a long one—in the right direction. The feeling is growing that the United States can be counted on to help its friends when the going is tough.

The United States' ability, and spontaneous willingness, to respond quickly in this emergency was not lost on Latin American politicians, either. They had the opportunity to compare the U.S. action vividly with what Soviet Russia did. A week after the quakes struck, and after the U.S. Globemasters were arriving daily by the dozen, Russia announced that it, too, would send a relief plane from Moscow. One week after that the lone Russian plane finally arrived.

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